



**Treasurer – Tax Collector**

Peggy Moak, Treasurer-Tax Collector

**Treasury Division**

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January 16, 2018

Butte County Board of Supervisors  
Butte County Chief Administrative Officer  
Investment Pool Oversight Committee

The attached investment report for December 31, 2017 is submitted in accordance with the Butte County Statement of Investment Policy dated July 1, 2017. All investments are in compliance with this policy.

The Investment Report demonstrates that sufficient liquidity is available to meet anticipated expenditures during the next six months.

The Local Agency Investment Fund (LAIF) is used as a comparison against Butte's portfolio performance. A look at the 5-year moving average for the Butte County Treasury apportioned yields vs. LAIF apportioned yields demonstrates that, over time, a medium term, laddered portfolio will generally outperform a shorter-term investment strategy, which LAIF usually mirrors. The 5-year moving average for Butte County's FY 15/16 and FY 16/17 performance compared to LAIF shows margins of 0.865% and 0.697%, respectively. Using \$350,000,000 as a baseline portfolio (actively invested balance), this translates to enhanced earnings averaging \$3,027,500 per year for the past five years.

**NOTE: Fair values are trending lower than cost carried due to an increasing yield environment.**

Investments are marked to market monthly based on a current market price determined by U.S. Bancorp Investments. Copies of statements reflecting investment and cash management transactions are provided to the Board of Supervisors monthly and are available upon request.

Quarterly Investment Reports are made available on the Treasurer-Tax Collector website at <http://www.buttecounty.net/ttc>.

Respectfully,

Peggy Moak  
Butte County Treasurer-Tax Collector

cc: Butte County Auditor-Controller  
Butte County Board of Supervisors  
Butte County District Attorney  
Butte County Schools-JPA  
Butte County Sheriff  
Butte County Superintendent of Schools

Butte County Special Districts (Quarterly)  
Butte-Glenn Community College  
Chico Unified and Gridley Unified School Districts  
Jessee, Meegan – Butte County Deputy Administrative Officer  
Beene, Dana – Butte County Internal Auditor



## BUTTE COUNTY TREASURER'S INVESTMENT REPORT

December 31, 2017

ACTIVELY MANAGED PORTFOLIO:	YIELD TO MATURITY	WEIGHTED AVERAGE MATURITY (DAYS)*	PAR VALUE	FAIR VALUE	COST CARRIED
LOCAL AGENCY INVESTMENT FUND (LAIF)	1.239%	1	107,880,416.57	107,880,416.57	107,880,416.57
CALTRUST SHORT TERM	1.239%	1	4,613.50	4,613.50	4,608.64
CAMP SHORT TERM	1.290%	1	20,351,565.39	20,351,565.39	20,351,565.39
BANK MONEY MARKET (COLLATERALIZED)	1.170%	1	5,032,316.06	5,032,316.06	5,032,316.06
U.S. TREASURY NOTES**	1.812%	1,402	49,000,000.00	48,158,743.00	48,720,008.22
MUNICIPAL BONDS**	1.777%	909	38,760,000.00	38,469,242.60	38,891,145.53
CORPORATE NOTES**	1.540%	540	38,202,000.00	38,121,293.87	38,448,993.77
NEGOTIABLE CDS**	1.885%	1,150	9,500,000.00	9,499,407.32	9,497,042.53
FEDERAL AGENCY / SUPRANATIONAL NOTES**	1.512%	865	183,850,000.00	181,799,394.80	183,617,811.47
<b>TOTAL ACTIVELY MANAGED PORTFOLIO:</b>	<b>1.498%</b>	<b>650</b>	<b>452,580,911.52</b>	<b>449,316,993.11</b>	<b>452,443,908.18</b>

### INVESTMENT OF NOTE/BOND PROCEEDS AND OPERATING CASH

<u>SCHOOL BOND PROCEEDS</u> (see page 2 for details)	79,643,185.60	79,643,185.60	79,643,185.60
<u>OPERATING ACCOUNTS</u>			
U.S. BANK CHECKING ACCOUNT DEPOSITS	48,382,270.12	48,382,270.12	48,382,270.12
OPERATING CASH	57,951.40	57,951.40	57,951.40
OTHER	6,464.10	6,464.10	6,464.10
<b>TOTAL TREASURER'S FUND LEDGER BALANCE:</b>	<b>580,670,782.74</b>	<b>577,406,864.33</b>	<b>580,533,779.40</b>

<u>INVESTMENTS UNDER MANAGEMENT OF TRUSTEES</u> (see page 3 for details)	2,451,602.95	2,451,602.95	2,443,381.07
	<u>PAR VALUE</u>	<u>FAIR VALUE</u>	<u>COST CARRIED</u>
<b>TOTAL CASH AND INVESTMENTS:</b>	<b>583,122,385.69</b>	<b>579,858,467.28</b>	<b>582,977,160.47</b>

### SIX MONTH LIQUIDITY PROJECTIONS

Estimated Cash Receipts for Next Six Months	499,817,638
Estimated Disbursements for Next Six Months	-542,575,994
Estimated Net Cash Flow for Next Six Months***	-42,758,356 (A1)
Prudent Reserve	-30,000,000 (A2)
Securities Maturing	50,500,000 (B)
Local Agency Investment Fund / Cal Trust / MMF /CAMP	133,268,907 (C)
Total Liquidity for Next Six Months	111,010,551 (A1+A2+B+C)
Estimated Cash Available for Long Term Investment	-30,000,000
Remaining Available Liquidity	81,010,551

<b>Total Par Value of actively managed investments maturing in less than 12 months:</b>	<b>197,268,912</b>
<b>Total Par Value of actively managed investments maturing in more than 12 months:</b>	<b>255,312,000</b>

\* Actual Weighted Average Maturity will be shorter, and actual dollar amount of investments maturing in less than 12 months will be higher than stated, due to call features on investments.  
 \*\* See page 5 for detailed list of investments.  
 \*\*\* Includes TRAN (Tax and Revenue Anticipation Notes) receipts and disbursements, if applicable.

# BUTTE COUNTY TREASURER'S INVESTMENT REPORT

## INVESTMENT OF SCHOOL BOND PROCEEDS

December 31, 2017

BOND/NOTE DESCRIPTION	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD*	PAR VALUE	FAIR VALUE	COST CARRIED
<b>BONDS - LOCAL AGENCY INVESTMENT FUND (LAIF)</b>							
Butte-Glenn CCD 2016 GO Bond Series A	LAIF			1.239%	40,659,950.86	40,659,950.86	40,659,950.86
Chico Unified 2012 GO Bond Measure E Series A	LAIF			1.239%	1,907,965.23	1,907,965.23	1,907,965.23
Chico Unified 2016 GO Bond Series A	LAIF			1.239%	37,075,269.51	37,075,269.51	37,075,269.51
					<b>PAR VALUE</b>	<b>FAIR VALUE</b>	<b>COST CARRIED</b>
<b>GRAND TOTAL</b>					<b>79,643,185.60</b>	<b>79,643,185.60</b>	<b>79,643,185.60</b>

\* Yields quoted above are a snapshot per investment type. Actual yields earned on school bonds are calculated by the Treasurer's office and are a composite of investment earnings less Treasury costs.

**BUTTE COUNTY TREASURER'S INVESTMENT REPORT**  
**DEPOSITS AND INVESTMENTS UNDER MANAGEMENT OF TRUSTEES/FISCAL AGENTS**  
**December 31, 2017**

FINANCING PROGRAM	INVESTMENT TYPE	MATURITY DATE	DESCRIPTION	ANNUAL YIELD	PAR VALUE	FAIR VALUE	COST CARRIED
<b>2004 PENSION OBLIGATION BONDS</b>							
<b>WELLS FARGO BANK, TRUSTEE</b>							
Series A Bond Fund #XXXX1106	Money Market		WF GOVT MMF #1751	1.047%	1,202,604.97	1,202,604.97	1,202,604.97
Int. Rate Stabilization Fund #XXXX1109	Money Market		WF GOVT MMF #1751	1.047%	1,015.25	1,015.25	1,015.25
	Pooled Agency Funds		Local Agency Investment Fund	1.239%	1,656.38	1,656.38	1,656.38
Principal Account Fund #XXXX1140	Cash		Cash	0.000%	11.62	11.62	11.62
Interest Account Fund #XXXX1141	Cash		Cash	0.000%	84.79	84.79	84.79
Surplus Account Fund #XXXX1142	Cash		Cash	0.000%	5,214.02	5,214.02	5,214.02
Sinking Account Fund #XXXX1143	Cash		Cash	0.000%	0.00	0.00	0.00
Series B Interest Fund #XXXX1301	Money Market		WF GOVT MMF #1751	1.047%	30,094.39	30,094.39	30,094.39
Series B Bond Fund #XXXX1305	Money Market		WF GOVT MMF #1751	1.047%	994,853.38	994,853.38	994,853.38
Series B Interest Fund #XXXX1307	Money Market		WF GOVT MMF #1751	1.047%	80.91	80.91	80.91
SUBTOTAL					<b>2,235,615.71</b>	<b>2,235,615.71</b>	<b>2,235,615.71</b>
<b>DEPOSITS WITH FISCAL AGENTS</b>							
<b>Discovery Benefits</b>							
<b>Plan Year Cash Balance 1/01/16 - 12/31/16*</b>				NA	38,221.88	38,221.88	**30,000.00
<b>York Risk Services Group - Claim Administrators</b>							
Umpqua Bank #XXXXX2601	Commercial Bank		Business Checking	NA	177,765.36	177,765.36	177,765.36
SUBTOTAL					<b>215,987.24</b>	<b>215,987.24</b>	<b>207,765.36</b>
					<b>PAR VALUE</b>	<b>FAIR VALUE</b>	<b>COST CARRIED</b>
<b>GRAND TOTAL</b>					<b>2,451,602.95</b>	<b>2,451,602.95</b>	<b>2,443,381.07</b>

\* Represents the most current data available (source: Auditor-Controller)

\*\* Benefits can be paid in advance of receipt of offsetting payroll deductions

**BUTTE COUNTY TREASURER'S INVESTMENT REPORT**  
**ACTIVELY MANAGED PORTFOLIO "AT-A-GLANCE"**  
**December 31, 2017**

**INVESTMENTS BY TYPE\***

Local Agency Investment Fund/CalTrust/MMF/CAMP	LAIF/CT/MMF/CAMP	\$ 133,268,912
Federal Home Loan Bank	FHLB	\$ 30,200,000
Federal Home Loan Mortgage Corp	FHLMC	\$ 18,000,000
Federal National Mortgage Assn	FNMA	\$ 25,000,000
Federal Farm Credit Bank	FFCB	\$ 25,000,000
Federal Agricultural Mortgage Corp	FAMCA	\$ 30,000,000
Corporate Notes	CORP	\$ 38,202,000
U.S. Treasury Notes	UST	\$ 49,000,000
Tennessee Valley Authority	TVA	\$ 5,000,000
Supranational	SUPRA	\$ 50,650,000
Certificates of Deposit (Collateralized/Negotiable)	CDs	\$ 9,500,000
Municipal Bonds	MUNI	\$ 38,760,000
		<b>\$ 452,580,912</b>

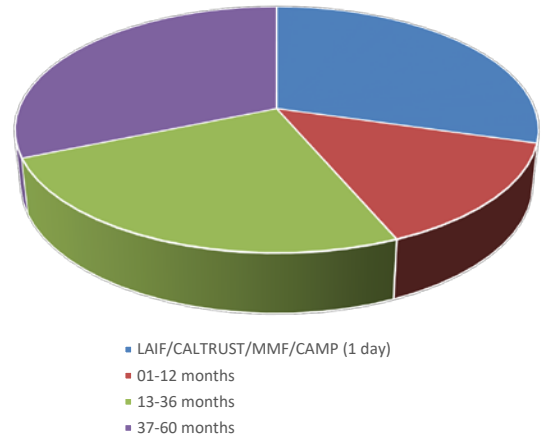
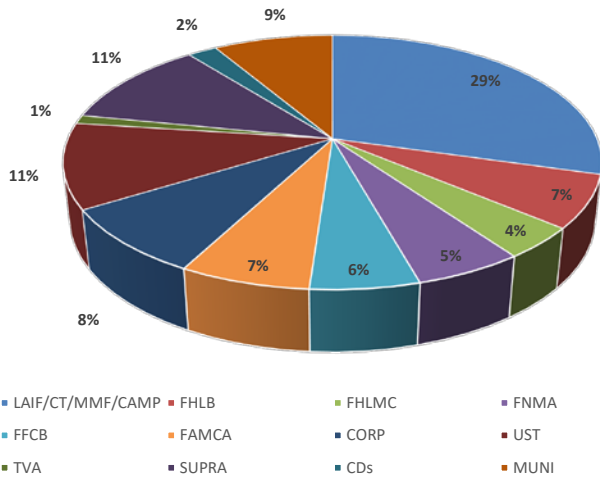
**INVESTMENTS BY MATURITY & YIELD\***

LAIF/CALTRUST/MMF/CAMP (1 day)	1.244%	\$ 133,268,912
01-12 months	1.126%	\$ 64,000,000
13-36 months	1.653%	\$ 113,472,000
37-60 months	1.781%	\$ 141,840,000
<b>TOTAL PAR VALUE</b>		<b>\$ 452,580,912</b>

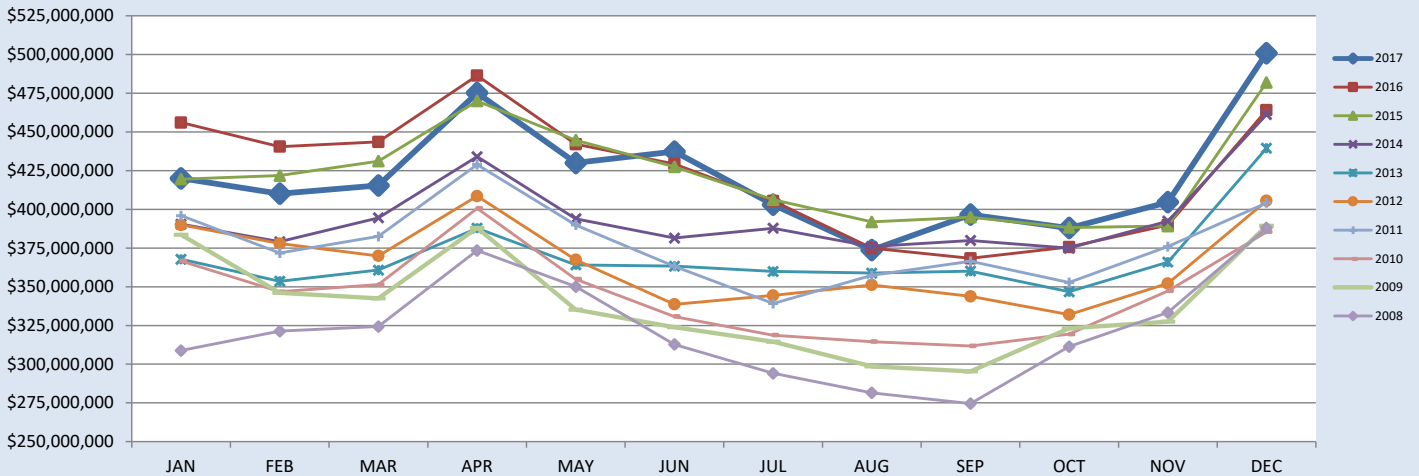
\* Investments managed by Trustees & School Bond Proceeds not included.

Final maturity dates are used; probable call dates are not considered.

Amounts quoted at Par Value.



**Butte County Pooled Treasury Portfolio Balance\*\***  
**Net of Tax and Revenue Anticipation Notes (TRAN) and Bond Proceeds**



\*\* This chart does not include deposits from TRAN, Bond Proceeds, or Investments under Management of Trustees.  
 It is intended to demonstrate cash flow trends and establish a baseline for the portfolio, enabling medium term investments.

